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REMARKS

The Office Action dated August 24, 2005 has been received and considered. Reconsideration of the outstanding rejections in the present application is respectfully requested based on the following remarks.

Anticipation Rejection of Claims 1, 9-11, and 19-21

At page 2 of the Office Action, claims 1, 9-11, and 19-21 are rejected under 35 U.S.C. Section 102(b) as being anticipated by Joao (U.S. Patent No. 6,047,270). This rejection is respectfully traversed.

Claim 1, from which claims 9 and 10 depend, recites the features of providing *multiple options* for a payment card holder *to decline authorization* of an attempted transaction (emphasis added). The Office Action asserts that the passage of Joao at col. 20, lines 48-67 discloses these features. For ease of reference, this cited passage of Joao is reproduced in its entirety below:

The apparatus 1 will then, at step 39, wait for the cardholder to respond to the transmission. During this time, the cardholder may either utilize the reply or two-way pager feature on the communication device 4 in order to either approve or authorize the transaction or disapprove of or void the transaction. At step 39, the central processing computer 3 will also receive the response if one is sent. At step 40, the apparatus 1 will determine if the cardholder has made a reply or response within the pre-defined time limit which is chosen, in the preferred embodiment, to be one (1) minute. The cardholder may also transmit a signal via an appropriate key or button suspending use of the card such as when he or she may first be apprised of the fact that the card has been lost or stolen. In instances when the communication device 4 does not have a reply or two-way pager feature, the cardholder may simply telephone the central processing office or a processing center for the card in order to personally appraise the center or office of his or her response to the central processing computer transmission regarding the transaction.

Joao, col. 20, lines 48-67.

As discussed in the Response filed on July 20, 2005 (hereinafter, "the Previous Response"), the above-cited passage of Joao discloses providing only a *single* option "to disapprove of or void" a transaction by "utilizing the reply or two-way pager feature on the

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communication device.” This passage of Joao does not disclose that another option to decline the transaction is provided, so Joao fails to disclose more than one option for declining a transaction. The present Office Action responds by contending that

Joao does disclose [the features of providing multiple options for a payment card holder to decline authorization of an attempted transaction] since the act of providing multiple options to decline is given to the card holder in the following manner: the card holder has the mental and physical ability of choos[ing] to decline authorization on the basis of any number of events, including the suspicion of card theft, realization of insufficient funds, etc. Therefore, the card holder *is* provided with multiple options to decline authorization

Office Action, p. 7 (emphasis in original).

In view of these remarks, it is respectfully submitted that the Office confuses cause and effect. The “suspicion of card theft” and the “realization of insufficient funds” are motivations, or *causes*, for a card holder to decline a transaction (i.e., the *effect*). That a card holder may have numerous motivations to decline a transaction does not in any way mean that the card holder has multiple options for declining the transaction. Although the Office is correct in that a card holder, using the system described by Joao, may have more than one reason or motivation for declining a transaction, Joao provides only one option to decline a transaction once the card holder decides to decline the transaction for whatever reason. Thus, Joao fails to disclose or suggest the features of providing *multiple options* to decline authorization of an attempted transaction as recited by claim 1. The Office Action therefore fails to establish that Joao discloses each and every element of claim 1, as well as each and every element of claims 9 and 10 at least by virtue of their dependency from claim 1.

Moreover, these dependent claims recite additional features not disclosed by Joao. For example, claim 10 recites the additional feature of where the notification message indicates *at least part of a number of the payment card* (emphasis added). The Office Action asserts that the passage of Joao at col. 20, lines 23-36 discloses this feature. However, this cited passage fails to disclose providing, in a notification message, *part or all of a number of a payment card* involved in the transaction. Likewise, no other passage of Joao discloses that a notification message indicates at least part of a number of a payment card. Accordingly, Joao fails to disclose the

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feature of wherein the notification message indicates at least part of a number of a payment card as recited by claim 10.

Claim 11, from which claims 19-21 depend, recites a payment card transaction notification and authorization system that provides *multiple options* for a payment card holder to *decline authorization* of an attempted transaction (emphasis added). The Office Action rejects claim 11 under the same rationale as the rejection of claim 1. However, as noted above with respect to claim 1, Joao discloses providing only a *single* option to "disapprove of or void" a transaction and thus fails to disclose the features of providing *multiple* options to decline authorization as recited by claim 11. Accordingly, the Office Action fails to establish that Joao discloses each and every feature of claim 11, as well as each and every feature of claims 19-21 at least by virtue of their dependency from claim 11.

Moreover, dependent claims 19-21 recite additional features not disclosed by Joao. As an example, claim 20 recites the feature of wherein the notification message indicates at least part of a number of the payment card. As discussed above with respect to claim 10, Joao fails to disclose this feature.

As another example, claim 21 recites the feature of wherein the payment card transaction notification and authorization system is further to increase a purchase limit threshold for the payment card based on a short messaging service (SMS) message received from the payment card holder. The Office Action asserts that the passage of Joao at col. 13, lines 23-31 discloses this feature. Specifically, the Office Action asserts that "by virtue of the definition of wireless communication, a short message is received from the card holder to increase account credit limits." It is noted that claim 21 recites a "short messaging service (SMS) message," not a "short message" as discussed by the Office Action. One of ordinary skill in the art will recognize that "SMS" is a term of art that identifies a particular messaging format and process, rather than merely any type of message that is short. As Joao fails to mention SMS messages in any manner, much less that an increase in a purchase limit threshold for a payment card is based on an SMS message as provided by claim 21, it is respectfully submitted that Joao fails to disclose the additional feature of claim 21.

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In view of the foregoing, it is respectfully submitted that the anticipation rejection of claims 1, 9-11, and 19-21 is improper and the withdrawal of this rejection is respectfully requested.

Obviousness Rejection of Claims 2-6, 12-16, and 22

At page 4 of the Office Action, claims 2-6, 12-16, and 22 are rejected under 35 U.S.C. Section 103(a) as being unpatentable over Joao in view of Walker (U.S. Patent No. 5,999,596). This rejection is hereby respectfully traversed.

Claim 1, from which claims 2-6 depend, recites providing multiple options for a payment card holder to decline authorization of an attempted transaction. Claim 11, from which claims 12-16 depend, recites a payment card transaction notification and authorization system to provide multiple options for a payment card holder to decline authorization of an attempted transaction. As discussed above, Joao does not disclose these claimed features. The Office Action does not assert that Walker discloses or suggests providing multiple options to decline authorization of an attempted transaction, nor does Walker in fact disclose or suggest these features, as discussed in the Previous Response. *See Office Action*, p. 7 (stating “the examiner relied on the Walker invention only to teach the option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction”). The Office Action therefore fails to establish that the proposed combination of Joao and Walker discloses or suggests the features recited by claims 2-6, 12-16 and 22 at least by virtue of their dependency from one of claims 1 or 11.

Moreover, these dependent claims recite additional features neither disclosed nor suggested by Joao or Walker. As an example, claims 2 and 12 recite wherein the multiple options comprise a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction. The Office Action acknowledges that “Joao lacks the specific teaching of the first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction,” and the Office Action therefore relies on the above-cited passages of Walker as allegedly disclosing these features. *Office Action*, p. 4. However, neither Joao nor Walker disclose or suggest that different options are provided based

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on whether the attempted transaction is (1) undesirable but non-fraudulent or (2) fraudulent. Accordingly, contrary to the assertions of the Office Action, the proposed combination of Joao and Walker fails to disclose or suggest providing a first option to decline authorization of an undesirable but non-fraudulent transaction and a second option to decline authorization of a fraudulent transaction, as provided by claims 2 and 12.

As another example, claim 3 recites receiving a selection made by the payment card holder of the first option and, based on the selection, providing a message to a merchant involved in the attempted transaction to decline the attempted transaction *and to return the payment card to an individual attempting the transaction* (emphasis added). Claim 13 recites similar features. The Office Action asserts that the passage of Walker at col. 10, lines 45-60 discloses these features. However, this passage of Walker fails to disclose providing a message to a merchant to decline an attempted transaction and to return the payment card to an individual attempting the transaction.

As yet another example, claim 6 recites receiving a selection made by the payment card holder of the second option and, based on the selection, *automatically* reporting the fraudulent transaction to a law enforcement authority (emphasis added). Claim 16 recites similar features. The Office Action asserts that the passage of Joao at col. 21, lines 39-41 discloses these features. However, this cited passage of Joao provides that “[i]f the point-of-sale device operator may then confiscate the card and/or alert the authorities.” *Joao*, col. 21, lines 39-41 (emphasis added). The Office Action further alleges that “the act of *deciding* to alert the authorities is inherently *automatically* performed by the device operator.” *Office Action*, p. 7 (emphasis added). It should be noted that claims 6 and 16 do not recite that the *decision* to alert the authorities is automatically performed. Instead, claims 6 and 16 recite *automatically reporting* the fraudulent transaction. One of ordinary skill in the art will recognize that the *decision to contact the authorities* made by a point-of-sale device operator (i.e., a person), whether automatic or not, does not constitute *automatically reporting* a fraudulent transaction to a law enforcement authority since relying on the human operator requires a conscious decision or volition on the part of the point-of-sale device operator. *See, e.g., The American Heritage Dictionary of the English Language*, 4th Ed., 2000 (defining “automatic” as “2.a. Acting or done *without volition*”)

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or conscious control")(emphasis added).¹ To illustrate, a point-of-sale device operator, although initially intending to "call and/or alert the authorities," may choose not to alert the authorities for any of a variety of reasons, or the point-of-sale device operator may be unable to alert the authorities, hence rendering the action of the point-of-sale operator in alerting the authorities far from automatic.

Claim 22 recites providing a notification message to a payment card holder of an attempted transaction using a payment card, the notification message indicating at least part of a number of the payment card. As discussed above with respect to claims 10 and 20, Joao fails to disclose or suggest providing a notification message indicating at least part of a number of a payment card. The Office Action does not assert that Walker discloses or suggests these features.

Claim 22 further recites the features of providing multiple options for the payment card holder to decline authorization of the attempted transaction. As noted above with respect to claims 1, 2, 11 and 12, neither Joao nor Walker disclose or suggest these features. Claim 22 additionally recites wherein the multiple options comprise a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction. As discussed above with respect to claims 2 and 12, neither Joao nor Walker disclose or suggest these features.

Claim 22 additionally recites providing a message to a merchant involved in the attempted transaction to decline the attempted transaction and to return the payment card to an individual attempting the transaction. As discussed above with respect to claims 3 and 13, neither Joao nor Walker disclose or suggest these features. Accordingly, the Office Action fails to establish that the proposed combination of Joao and Walker discloses or suggests at least the features of claim 22, as described herein.

¹ This definition of the term "automatic" is provided merely for illustrative purposes and is not intended to define or affect the scope of the term "automatic" as it is used in the claims.

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In view of the forgoing, it is respectfully submitted that the obviousness rejection of claims 2-6, 12-16, and 22 is improper and the withdrawal of this rejection therefore is respectfully requested.

Obviousness Rejection of Claims 7 and 17

At page 5 of the Office Action, claims 7 and 17 are rejected under 35 U.S.C. Section 103(a) as being unpatentable over Joao and Walker and further in view of Cohen (U.S. Patent No. 6,422,462). This rejection is respectfully traversed.

Claim 1, from which claim 7 depends, recites providing multiple options for a payment card holder to decline authorization of an attempted transaction. Claim 11, from which claim 17 depends, recites a payment card transaction notification and authorization system to provide multiple options for a payment card holder to decline authorization of an attempted transaction. As discussed above, Joao and Walker, alone or in combination, do not disclose or suggest these features. The Office Action does not assert that Cohen discloses or suggests these features. Accordingly, the Office Action fails to establish that the proposed combination of Joao, Walker and Cohen discloses or suggests each and every feature of claims 7 or 17 at least by virtue of their dependency from claims 1 and 11, respectively.

Moreover, claims 7 and 17 recite additional features neither disclosed nor suggested by Joao, Walker or Cohen, or any combination thereof. Claim 7 recites the additional features of receiving a selection made by a payment card holder of a second option (for the payment card holder to decline authorization of a fraudulent transaction) and, based on the selection, automatically reporting the fraudulent transaction to a credit reporting agency. Claim 17 recites similar features. The Office Action acknowledges that Joao and Walker fail to disclose or suggest these features and therefore asserts that the passage of Cohen at col. 3, lines 11-18 discloses these features. However, this cited passage of Cohen discloses that "by making temporary disposable numbers . . . indistinguishable in appearance from regular credit card numbers, a potential thief is unable to tell in advance that a particular number is a disposable number, and already not valid. This may in turn enhance the potential of catching the thief by alerting the credit card company the first time someone attempts to illegally use the pilfered number." *Cohen*, col. 3, lines 11-18. This cited passage of Cohen fails to disclose that a

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fraudulent transaction is *automatically* reported to a *credit reporting agency*. Accordingly, it is respectfully submitted that the proposed combination of Joao, Walker and Cohen fails to disclose or suggest each and every feature of claims 7 and 17.

In view of the forgoing, it is respectfully submitted that the obviousness rejection of claims 7 and 17 is improper and the withdrawal of this rejection therefore is respectfully requested.

Obviousness Rejection of Claims 8 and 18

At page 6 of the Office Action, claims 8 and 18 are rejected under 35 U.S.C. Section 103(a) as being unpatentable over Joao in view of DiFrancesco (U.S. Patent No. 5,878,057).² This rejection is respectfully traversed.

Claims 8 and 18 depend from claims 1 and 11, respectively. As discussed above, Joao fails to disclose each and every feature recited by claims 1 and 11 and the Office Action does not assert that DiFrancesco discloses or suggests any of the features recited by claims 1 and 11. The Office Action therefore fails to establish that the proposed combination of Joao and DiFrancesco discloses or suggests each and every feature recited by claims 8 and 18 at least by virtue of their dependency from claims 1 and 11, respectively.

In view of the forgoing, it is respectfully submitted that the obviousness rejection of claims 8 and 18 is improper and the withdrawal of this rejection therefore is respectfully requested.

Conclusion

The Applicants respectfully submit that the present application is in condition for allowance, and an early indication of the same is courteously solicited. The Examiner is respectfully requested to contact the undersigned by telephone at the below listed telephone number in order to expedite resolution of any issues and to expedite passage of the present

² The Office Action identifies DiFrancesco as U.S. Patent No. 6,092,057 at page 6 and as U.S. Patent No. 5,878,403 in the Notice of References Cited attached to the Office Action. As U.S. Patent No. 6,092,057 is issued to Zimmerman and does not appear to be related to the subject matter of the present application, it is assumed that the Office intended to refer to U.S. Patent No. 5,878,403 as the DiFrancesco reference.

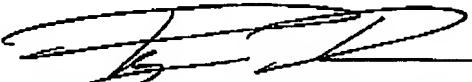
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application to issue, if any comments, questions, or suggestions arise in connection with the present application.

The Commissioner is hereby authorized to charge any fees that may be required, or credit any overpayment, to Deposit Account Number 50-2469.

Respectfully submitted,

10/11/05
Date



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